

Title	Compliance Policy	Version	1
Policy No.	P 2022/14	Effective date	16/11/2022

1. OVERVIEW

The purpose of this Policy is to:

- demonstrate Forestry Corporation’s commitment to compliance;
- establish a proactive approach to compliance management;
- articulate the compliance responsibilities of Forestry Corporation employees;
- develop and promote a culture that values the highest standards of governance and compliance across Forestry Corporation; and
- facilitate continuous improvement in compliance performance.

2. BACKGROUND

Forestry Corporation is a statutory owned corporation operating in highly regulated fields, with our financial and environmental performance being subject to stakeholder scrutiny. Compliance with our commitments and obligations assists us to protect our people, community and the environment. Failure to comply with compliance requirements exposes Forestry Corporation to legal penalties, trading loss and reputational damage. Forestry Corporation has identified a strategic imperative to increase our focus on compliance to improve our environmental, social and governance (ESG) performance and to mitigate compliance and reputational risk.

Forestry Corporation’s Code of Conduct and values require that employees and contractors uphold the highest standards of ethical behaviour, integrity, respect, and professional conduct in the course of their work. Forestry Corporation takes pride in its Responsible Wood certification, which requires the organisation to comply with all its legal and voluntary compliance obligations.

3. SCOPE

The scope of this policy extends to all compliance obligations, including mandatory legal requirements, and those adopted voluntarily.

This policy applies to all staff and volunteers of Forestry Corporation (employees), as well as all contractors and consultants engaged by Forestry Corporation (contractors) while engaged in work with Forestry Corporation. The policy extends to wherever that activity takes place.

DEFINITIONS

Term	Definition
Compliance	Adhering to the requirements of laws, industry and organisational standards, policies and codes, principles of good governance and accepted community and ethical standards.
Compliance risk	The potential for legal penalties, trading loss or reputational damage if Forestry Corporation or its contractors fails to be aware of and implement compliance obligations that could impact operations, results in a non-compliance, or through action or inaction gives rise to potential litigation against the organisation, its employees, or contractors.
Non-compliance	An act or an omission whereby Forestry Corporation or its contractors does not meet its compliance obligations, processes, or behavioural obligations.
Obligations	Mandatory requirements specified by legal instruments (for example, laws, regulations, licences, or court orders); or voluntary requirements which Forestry Corporation has

Policy Title: FCNSW Compliance Policy	Version No. 1	Page 1
Document ID (CM No.): D22/14433	Issue Date: 16/11/2022	Review Date: 1/11/2025

Term	Definition
	formally decided to adopt (for example certification standards, codes of practice, or contractual commitments).
Obligation owner	An individual appointed as being responsible for compliance with a particular obligation or group of obligations.

4. POLICY

4.1. COMMITMENTS

To meet its legal obligations and compliance objectives and to develop a proactive culture that values compliance, Forestry Corporation is committed to establishing and maintaining a compliance management framework that reflects *AS/ISO 37301:2021 Compliance Management Systems* and our requirements under *AS4708: 2021 Sustainable Forest Management*.

To demonstrate our commitment to effective compliance, Forestry Corporation will:

- identify all applicable compliance obligations
- assess and review compliance obligations using a risk management methodology, and determine compliance objectives
- establish robust governance arrangements and assign dedicated compliance resources to support the compliance framework
- document our management of compliance obligations
- ensure adequate and trained resources are available to meet compliance objectives
- continuously review and update business processes to ensure they comply with applicable laws and regulations
- ensure our employees, customers, and contractors understand applicable compliance obligations, controls and standards
- assign responsibilities and hold employees and contractors responsible for compliance tasks
- demonstrate and encourage the highest standards of integrity
- promote a culture of frank and open disclosure of compliance breaches without fear of victimisation or unfair treatment
- investigate incidents and complaints, monitor for instances of non-compliance, and take action to improve compliance outcomes and address misconduct
- monitor and report our compliance performance to underpin continuous improvement
- audit and publicly report compliance performance
- review and improve our compliance management system.

Policy Title: FCNSW Compliance Policy	Version No. 1	Page 2
Document ID (CM No.): D22/14433	Issue Date: 16/11/2022	Review Date: 1/11/2025

4.2. RESPONSIBILITIES

Position	Responsibility
All employees and contractors (within their work or contract)	<ul style="list-style-type: none"> • Perform their duties with skill, care, diligence, honesty, and integrity; • Undertake training as required; • Apply procedures and controls that ensure Forestry Corporation meets compliance obligations; • Create records as required to meet and demonstrate compliance obligations; • Report non-compliances, suspected non-compliances, compliance risks and opportunities for improvement; • Assist with internal and external incident investigations and compliance monitoring/audits.
Supervisors (within their team/area)	<ul style="list-style-type: none"> • Ensure that employees and contractors are aware of applicable compliance obligations and internal procedures; and • Monitor employees' and contractors' compliance with procedures and other controls.
Managers (within their team/area)	<ul style="list-style-type: none"> • Foster and demonstrate integrity and commitment to compliance; • Identify, develop, review and update procedures and other controls that ensure Forestry Corporation meets legal obligations; • Identify training needs and ensure that appropriate training is made available; • Report compliance performance to their senior Managers. • Investigate and address instances of non-compliance, suspected non-compliance, compliance-related complaints, and compliance risks and opportunities; and • Ensure that compliance-related records (including training records) are created, protected and retrievable.
Compliance Obligation Owners (within their obligation)	<ul style="list-style-type: none"> • Make themselves aware of compliance obligations and best practice; • Ensure that internal training, procedures, and other controls address compliance requirements; • Ensure that compliance with internal procedures and other controls is monitored; • Ensure that suspected and actual non-compliances are reported, investigated and management actions are implemented to improve compliance performance; • Undertake independent investigations when appropriate; and • Report compliance performance to the Senior Compliance Manager.
General Manager Governance and Assurance	<p>Responsible for the development, control, and coordination of an effective compliance management system. Specifically:</p> <ul style="list-style-type: none"> • Provide high level guidance to Managers through compliance-related policies and strategies; • Maintain an effective Legal and Other Obligations Register (Compliance Register); • Identify and support Compliance Obligation Owners who are responsible for specific compliance obligations; • Assess and proactively manage compliance risks; • Develop a compliance monitoring and reporting system; and • Manage the interface with key regulators.
General Counsel	<ul style="list-style-type: none"> • Keep abreast of new legislation and update the Legal and Other Obligations Register as required; and • Provide legal advice as required to ensure Managers understand and communicate legislative requirements correctly.
Chief Executive Officer	<ul style="list-style-type: none"> • Accountable to the Board for the effective implementation of compliance strategies; • Overarching responsibility for compliance and the development and implementation of the Compliance Policy and procedures; • Responsible for specific compliance obligations as per relevant polices; and • Sets the 'tone at the top' for compliance as a priority.
Board	<ul style="list-style-type: none"> • Monitor compliance risk, incident response and audit action plans (via the Audit and Risk Committee); and • Has ultimate responsibility for ensuring FCNSW implements adequate and effective compliance controls.

5. RELATED LEGISLATION AND STANDARDS

AS/ISO 37301:2021 Compliance management systems – Requirements with guidance for use
AS 4708:2021 Sustainable Forest management

6. RELATED POLICIES

Fraud and Corruption Prevention Policy
Forest Management Policy
Code of Conduct
Competition and Consumer Act 2010 Compliance Policy

7. RELATED DOCUMENTS

Forestry Corporation Values and Behaviours Framework
FMS Responsibility and Accountability Statement
Legislative and Other Changes Procedure
Legal and Other Obligations Register

8. REVISION HISTORY

Version	Policy Number	Date
1	P2022/14	16/11/2022

9. DATE OF NEXT REVIEW

01/11/2025

10. CONTACT OFFICER

Senior Compliance Manager

Executive Endorsement



Chief Executive Officer